

Congress of the United States
Washington, DC 20510

May 31, 2012

Daniel M. Tangherlini
Acting Administrator
U.S. General Services Administration
1275 First Street, NE
Washington, DC 20417

Dear Acting Administrator Tangherlini:

We are writing in regard to the General Services Administration (GSA) Eastern Distribution Center (EDC) in Burlington, New Jersey, a key product supplier for federal agencies. The GSA has been working to reform its supply structure and under former GSA Administrator Martha Johnson, it began implementing major changes that called for downsizing the EDC, costly changes that will result in severe job losses and damage to small businesses. Despite the drastic nature of these proposed changes, the full details of the initiative remain unclear. Therefore, we are respectfully requesting that the GSA complete a comprehensive analysis of any proposed change before considering whether to proceed with any further plans that would change the current business plan, operations or employee staffing at the GSA Eastern Distribution Center in Burlington, New Jersey. We also ask that GSA consider reassessing its strategy for the facility and establish alternative plans that seek to minimize job loss and negative impacts to small businesses.

The EDC provides significant economic benefits for the region, employing approximately 300 people. According to GSA staff, the downsizing initiative would result in only 44 employees working at the facility—a staff reduction of more than 85 percent. Furthermore, the proposal would eliminate certain key products from the EDC, which would take away small business shipping opportunities—including Small and Disadvantaged Businesses and Service-Disabled Veteran-Owned Small Businesses—that conduct business with the facility. In 2009, a Government Accountability Office report on the proposed new program (referred to as the “Direct Vendor Program” or “DVD program”) wrote that, “while the precise effect is currently unclear, GSA’s proposed DVD program would likely decrease the number of small businesses selling office supplies.”

The Burlington facility sells a variety of products to federal agencies, including essential provisions to the Department of Defense (DoD) in support of overseas military operations. Its location provides easy access to major interstate trucking routes, is near major port facilities, and is located in close proximity to many of its customers—including the DoD Distribution Center in Pennsylvania. Because of the facility’s reputation and convenient location, the GSA in 2010 agreed to extend its lease through 2020.

In 1999, the GSA tried to close the Eastern Distribution Center in Burlington but after further careful analysis decided to keep it open. The history of the EDC underscores the need for the GSA to provide specific details and a full analysis of its proposal to downsize the facility. Unfortunately, at this time, the GSA has not produced a comprehensive and detailed plan that adequately explains its proposed reform process and what impact it will have on jobs, businesses, the federal agencies that deal with the EDC, and the long-term cost to taxpayers.

As Acting Administrator, you have initiated changes following the missteps of your predecessors. Given the severe costs to jobs and small businesses, the value of the EDC's services to federal agencies, and the unclear benefits of the reform proposal, we respectfully request that the GSA complete a comprehensive analysis of any proposed change before considering whether to proceed with any plans to alter the business operations or staffing levels at the Eastern Distribution Center in Burlington, New Jersey until a more comprehensive analysis is completed. We also ask that you develop an alternative plan aimed at preventing job losses, reducing the negative impacts on small businesses, and saving taxpayer dollars.

Sincerely,


FRANK R. LAUTENBERG
United States Senator


ROBERT MENENDEZ
United State Senator


BILL PASCRELL, JR.
Member of Congress


STEVE ROTHMAN
Member of Congress


JON RUNYAN
Member of Congress


ALBIO SIRES
Member of Congress


CHRIS SMITH
Member of Congress